

109TH CONGRESS  
1ST SESSION

# H. R. 2066

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IN THE SENATE OF THE UNITED STATES

MAY 24, 2005

Received; read twice and referred to the Committee on Homeland Security and  
Governmental Affairs

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## AN ACT

To amend title 40, United States Code, to establish a Federal Acquisition Service, to replace the General Supply Fund and the Information Technology Fund with an Acquisition Services Fund, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “General Services Ad-  
3 ministration Modernization Act”.

4 **SEC. 2. FEDERAL ACQUISITION SERVICE.**

5 (a) ESTABLISHMENT.—

6 (1) IN GENERAL.—Section 303 of title 40,  
7 United States Code, is amended to read as follows:

8 **“§ 303. Federal Acquisition Service**

9 “(a) ESTABLISHMENT.—There is established in the  
10 General Services Administration a Federal Acquisition  
11 Service. The Administrator of General Services shall ap-  
12 point a Commissioner of the Federal Acquisition Service,  
13 who shall be the head of the Federal Acquisition Service.

14 “(b) FUNCTIONS.—Subject to the direction and con-  
15 trol of the Administrator of General Services, the Commis-  
16 sioner of the Federal Acquisition Service shall be respon-  
17 sible for carrying out functions related to the uses for  
18 which the Acquisition Services Fund is authorized under  
19 section 321 of this title, including any functions that were  
20 carried out by the entities known as the Federal Supply  
21 Service and the Federal Technology Service and such  
22 other related functions as the Administrator considers ap-  
23 propriate.

24 “(c) REGIONAL EXECUTIVES.—The Administrator  
25 may appoint up to five Regional Executives in the Federal  
26 Acquisition Service, to carry out such functions within the

1 Federal Acquisition Service as the Administrator con-  
2 siderers appropriate.”.

3 (2) CLERICAL AMENDMENT.—The item relating  
4 to section 303 at the beginning of chapter 3 of such  
5 title is amended to read as follows:

“303. Federal Acquisition Service.”.

6 (b) EXECUTIVE SCHEDULE COMPENSATION.—Sec-  
7 tion 5316 of title 5, United States Code, is amended by  
8 striking “Commissioner, Federal Supply Service, General  
9 Services Administration.” and inserting the following:

10 “Commissioner, Federal Acquisition Service,  
11 General Services Administration.”.

12 (c) REFERENCES.—Any reference in any other Fed-  
13 eral law, Executive order, rule, regulation, reorganization  
14 plan, or delegation of authority, or in any document—

15 (1) to the Federal Supply Service is deemed to  
16 refer to the Federal Acquisition Service;

17 (2) to the GSA Federal Technology Service is  
18 deemed to refer to the Federal Acquisition Service;

19 (3) to the Commissioner of the Federal Supply  
20 Service is deemed to refer to the Commissioner of  
21 the Federal Acquisition Service; and

22 (4) to the Commissioner of the GSA Federal  
23 Technology Service is deemed to refer to the Com-  
24 missioner of the Federal Acquisition Service.

1 **SEC. 3. ACQUISITION SERVICES FUND.**

2 (a) ABOLISHMENT OF GENERAL SUPPLY FUND AND  
3 INFORMATION TECHNOLOGY FUND.—The General Supply  
4 Fund and the Information Technology Fund in the Treas-  
5 ury are hereby abolished.

6 (b) TRANSFERS.—Capital assets and balances re-  
7 maining in the General Supply Fund and the Information  
8 Technology Fund as in existence immediately before this  
9 section takes effect shall be transferred to the Acquisition  
10 Services Fund and shall be merged with and be available  
11 for the purposes of the Acquisition Services Fund under  
12 section 321 of title 40, United States Code (as amended  
13 by this Act).

14 (c) ASSUMPTION OF OBLIGATIONS.—Any liabilities,  
15 commitments, and obligations of the General Supply Fund  
16 and the Information Technology Fund as in existence im-  
17 mediately before this section takes effect shall be assumed  
18 by the Acquisition Services Fund.

19 (d) EXISTENCE AND COMPOSITION OF ACQUISITION  
20 SERVICES FUND.—Subsections (a) and (b) of section 321  
21 of title 40, United States Code, are amended to read as  
22 follows:

23 “(a) EXISTENCE.—The Acquisition Services Fund is  
24 a special fund in the Treasury.

25 “(b) COMPOSITION.—

1           “(1) IN GENERAL.—The Fund is composed of  
2           amounts authorized to be transferred to the Fund or  
3           otherwise made available to the Fund.

4           “(2) OTHER CREDITS.—The Fund shall be  
5           credited with all reimbursements, advances, and re-  
6           funds or recoveries relating to personal property or  
7           services procured through the Fund, including—

8                   “(A) the net proceeds of disposal of sur-  
9                   plus personal property; and

10                   “(B) receipts from carriers and others for  
11                   loss of, or damage to, personal property; and

12                   “(C) receipts from agencies charged fees  
13                   pursuant to rates established by the Adminis-  
14                   trator.

15           “(3) COST AND CAPITAL REQUIREMENTS.—The  
16           Administrator shall determine the cost and capital  
17           requirements of the Fund for each fiscal year and  
18           shall develop a plan concerning such requirements in  
19           consultation with the Chief Financial Officer of the  
20           General Services Administration. Any change to the  
21           cost and capital requirements of the Fund for a fis-  
22           cal year shall be approved by the Administrator. The  
23           Administrator shall establish rates to be charged  
24           agencies provided, or to be provided, supply of per-

1       sonal property and non-personal services through the  
2       Fund, in accordance with the plan.

3               “(4) DEPOSIT OF FEES.—Fees collected by the  
4       Administrator under section 313 of this title may be  
5       deposited in the Fund to be used for the purposes  
6       of the Fund.”.

7       (e) USES OF FUND.—Section 321(c) of such title is  
8       amended in paragraph (1)(A)—

9               (1) by striking “and” at the end of clause (i);

10              (2) by inserting “and” after the semicolon at  
11       the end of clause (ii); and

12              (3) by inserting after clause (ii) the following  
13       new clause:

14                       “(iii) personal services related to the  
15                       provision of information technology (as de-  
16                       fined in section 11101(6) of this title);”.

17       (f) PAYMENT FOR PROPERTY AND SERVICES.—Sec-  
18       tion 321(d)(2)(A) of such title is amended—

19              (1) by striking “and” at the end of clause (iv);

20              (2) by redesignating clause (v) as clause (vi);

21       and

22              (3) by inserting after clause (iv) the following  
23       new clause:

24                       “(v) the cost of personal services em-  
25                       ployed directly in providing information

1                   technology (as defined in section 11101(6)  
2                   of this title); and”.

3           (g) TRANSFER OF UNCOMMITTED BALANCES.—Sub-  
4 section (f) of section 321 of such title is amended to read  
5 as follows:

6           “(f) TRANSFER OF UNCOMMITTED BALANCES.—Fol-  
7 lowing the close of each fiscal year, after making provision  
8 for a sufficient level of inventory of personal property to  
9 meet the needs of Federal agencies, the replacement cost  
10 of motor vehicles, and other anticipated operating needs  
11 reflected in the cost and capital plan developed under sub-  
12 section (b), the uncommitted balance of any funds remain-  
13 ing in the Fund shall be transferred to the general fund  
14 of the Treasury as miscellaneous receipts.”.

15           (h) CONFORMING AND CLERICAL AMENDMENTS.—

16                   (1) Section 322 of such title is repealed.

17                   (2) The heading for section 321 of such title is  
18 amended to read as follows:

19 **“§ 321. Acquisition Services Fund”.**

20                   (3) The table of sections for chapter 3 of such  
21 title is amended by striking the items relating to sec-  
22 tions 321 and 322 and inserting the following:

“321. Acquisition Services Fund.”.

23                   (4) Section 573 of such title is amended by  
24 striking “General Supply Fund” both places it ap-  
25 pears and inserting “Acquisition Services Fund”.

1 (5) Section 604(b) of such title is amended—

2 (A) in the heading, by striking “GENERAL  
3 SUPPLY FUND” and inserting “ACQUISITION  
4 SERVICES FUND”; and

5 (B) in the text, by striking “General Sup-  
6 ply Fund” and inserting “Acquisition Services  
7 Fund”.

8 (6) Section 605 of such title is amended—

9 (A) in subsection (a)—

10 (i) in the heading, by striking “GEN-  
11 ERAL SUPPLY FUND” and inserting “AC-  
12 QUISITION SERVICES FUND”; and

13 (ii) in the text, by striking “General  
14 Supply Fund” and inserting “Acquisition  
15 Services Fund”; and

16 (B) in subsection (b)(2)—

17 (i) by striking “321(f)(1)” and insert-  
18 ing “321(f)”; and

19 (ii) by striking “General Supply  
20 Fund” and inserting “Acquisition Services  
21 Fund”.



1 **SEC. 4. PROVISIONS RELATING TO ACQUISITION PER-**  
2 **SONNEL.**

3 Section 37 of the Office of Federal Procurement Pol-  
4 icy Act (41 U.S.C. 433) is amended by adding at the end  
5 the following new subsections:

6 “(i) PROVISIONS RELATING TO REEMPLOYMENT.—

7 “(1) POLICIES AND PROCEDURES.—The head  
8 of each executive agency, after consultation with the  
9 Administrator and the Director of the Office of Per-  
10 sonnel Management, shall establish policies and pro-  
11 cedures under which the agency head may reemploy  
12 in an acquisition-related position (as described in  
13 subsection (g)(1)(A)) an individual receiving an an-  
14 nuity from the Civil Service Retirement and Dis-  
15 ability Fund, on the basis of such individual’s serv-  
16 ice, without discontinuing such annuity. The head of  
17 each executive agency shall keep the Administrator  
18 informed of the agency’s use of this authority.

19 “(2) SERVICE NOT SUBJECT TO CSRS OR  
20 FERS.—An individual so reemployed shall not be  
21 considered an employee for the purposes of chapter  
22 83 or 84 of title 5, United States Code.

23 “(3) CRITERIA FOR EXERCISE OF AUTHOR-  
24 ITY.—Policies and procedures established pursuant  
25 to this subsection shall authorize the head of the ex-

1 executive agency, on a case-by-case basis, to continue  
2 an annuity if—

3 “(A) the unusually high or unique quali-  
4 fications of an individual receiving an annuity  
5 from the Civil Service Retirement and Dis-  
6 ability Fund on the basis of such individual’s  
7 service, or

8 “(B) a special need of the agency for the  
9 services of an employee,  
10 makes the reemployment of an individual essential.

11 “(4) REPORTING REQUIREMENT.—The Admin-  
12 istrator shall submit annually to the Committee on  
13 Government Reform of the House of Representatives  
14 and the Committee on Homeland Security and Gov-  
15 ernmental Affairs of the Senate a report on the use  
16 of the authority under this subsection, including the  
17 number of employees reemployed under authority of  
18 this subsection.

19 “(5) SUNSET PROVISION.—The authority under  
20 this subsection shall expire on December 31, 2011.

21 “(j) RETENTION BONUSES.—

22 “(1) IN GENERAL.—The head of each executive  
23 agency, after consultation with the Administrator,  
24 shall establish policies and procedures under which  
25 the agency head may pay retention bonuses to em-

1        ployees holding acquisition-related positions (as de-  
2        scribed in subsection (g)(1)(A)) within such agency,  
3        except that the authority to pay a bonus under this  
4        subsection shall be available only if—

5                “(A) the unusually high or unique quali-  
6                fications of an employee or a special need of the  
7                agency for the services of an employee makes  
8                the retention of such employee essential; and

9                “(B) the agency determines that, in the  
10              absence of such a bonus, it is likely that the  
11              employee would leave—

12              “(i) the Federal service; or

13              “(ii) for a different position in the  
14              Federal service under conditions described  
15              in regulations of the Office.

16              “(2) SERVICE AGREEMENTS.—(A) Payment of  
17              a bonus under this subsection shall be contingent  
18              upon the employee entering into a written agreement  
19              with the agency to complete a period of service with  
20              the agency in return for the bonus.

21              “(B)(i) The agreement shall include—

22              “(I) the length of the period of service re-  
23              quired;

24              “(II) the bonus amount;

1           “(III) the manner in which the bonus will  
2           be paid (as described in paragraph (3)(B)); and

3           “(IV) any other terms and conditions of  
4           the bonus, including the terms and conditions  
5           governing the termination of an agreement.

6           “(3) TERMS AND CONDITIONS.—A bonus under  
7           this subsection—

8           “(A) may not exceed 50 percent of the  
9           basic pay of the employee;

10          “(B) may be paid to an employee—

11               “(i) in installments after completion  
12               of specified periods of service;

13               “(ii) in a single lump sum at the end  
14               of the period of service required by the  
15               agreement; or

16               “(iii) in any other manner mutually  
17               agreed to by the agency and the employee;

18          “(C) is not part of the basic pay of the em-  
19          ployee; and

20          “(D) may not be paid to an employee who  
21          holds a position—

22               “(i) appointment to which is by the  
23               President, by and with the advice and con-  
24               sent of the Senate;

10        This Act and the amendments made by this Act shall  
11 take effect 60 days after the date of the enactment of this  
12 Act.

Attest: **JEFF TRANDAH**,  
*Clerk.*